

~~SECRET~~

CENTRAL INTELLIGENCE AGENCY  
Office of Current Intelligence  
16 September 1963

MEMORANDUM FOR THE DCI

SUBJECT: Natural Disasters Hit Brazil

1. The recent fires in Parana State, only now being brought under control, spread death and destruction over 20,000 square miles of Brazil's most important coffee producing area. Preliminary reports indicate that scores are dead, thousands have been injured and approximately 400,000 are homeless and unemployed. Financial losses resulting from the fires, added to those caused by a severe frost in early August, runs into the millions of dollars. According to the state governor, local farm income this year may drop as much as 30 percent as a consequence of the recent disasters. To the present, only minor damage to industrial installations has been reported.

2. Such are the broad dimensions of what has happened in Parana. A detailed assessment of the damaged sustained is impossible at this time as the reporting so far has been uneven and often contradictory. For example the Secretary of Public Security in Parana asserts that perhaps 50 persons have lost their lives, whereas press accounts go up to 300. The picture, however, ought to be brought into better focus in the next few days when reports of American officials on the scene start to come in.

3. No precise figures are needed to draw the conclusion that Parana's coffee crop which accounted for more than half of the 28 million bags Brazil produced last year, has been hard hit. Even before the fires broke out the frost had caused wide spread damage. The fires have caused much more, the exact extent of which is not yet known.

State Department review completed

~~SECRET~~

~~SECRET~~

4. Ambassador Gordon believes that these losses in coffee production are being used as a "double-edged sword" to increase world prices. Brazil would benefit handsomely from any sudden rise in price because of its huge holdover stock. Brazil's current stocks of coffee total more than 50 million bags, a supply sufficient to maintain the country's present level of exports for nearly three years.

5. The Brazilian government has taken a number of steps to assist the stricken area. Chief among these is a special allocation of \$2.5 million in federal funds to the Parana state government to help finance local relief operations. Also, the Bank of Brazil as well as several private ones are making special credits available for distribution to dislocated agricultural workers.

6. The US has responded quickly, and effectively, to Brazil's urgent request for emergency aid. The Air Attaché's plane was flown to Parana on 7 September with representatives from the Food for Peace Program, two Peace Corps doctors, two Peace Corps nurses, and several US mission members who have had fire-fighting experience. Two other US planes flew the same day carrying powdered milk, plasma, and other medical supplies, and USCINCSO made available a C-130 which was to carry additional powdered milk on 9 September. Food stuffs were being sent from Sao Paulo, and US fire control specialists were to arrive in Parana early in the week.

7. First reports from US personnel in the field indicated that the evacuation of the local population affected by the fires was going well, and that immediate medical and food needs were being met. Laudatory reports of the prompt US reaction to the disaster were widespread, and US-Brazilian cooperation appeared to be excellent.



25X1

~~SECRET~~